CACO's Guide to the Survivor Benefit Plan (SBP)

Topics

- Definitions
- SBP 101 in the case of Active Duty Deaths
- SBP Elections
- Dependency and Indemnity Compensation (DIC) Offset
- Special Survivor Indemnity Allowance (SSIA)
- Processing and Responsibilities
- References
- Web Site and POC

- ****ALL MONETARY AMOUNTS ARE CURRENT AS OF JUNE 2010 AND ARE SUBJECT TO CHANGE****

Definitions

- **Annuitant** - The person(s) to be paid the monthly SBP annuity upon the member's death. The annuitant may also be referred to as the "beneficiary".
- **Annuity** - The sum paid monthly to the SBP beneficiary.
- **Beneficiary** - The person(s) to be paid the monthly SBP annuity. The beneficiary also may be referred to as the "annuitant".

Definitions (cont'd)

- **Defense Finance and Accounting Service (DFAS)** - The center responsible for paying retired and annuitant pay to retirees and annuitants (1-800-321-1080).

- **Retired Pay** - The monthly pay military retirees are entitled to receive.

What Is SBP?

- Effective 10 September 2001, survivors of members who die while on active duty are automatically eligible.
- SBP coverage is automatic for all active duty members (to include Reserve members serving on active duty) who have an eligible beneficiary. This is a no cost active duty benefit.

What Is SBP? (cont'd)

- However, the member's death must be classified in line-of-duty (LOD) in order for an annuity to be payable if the member is not yet retirement eligible (has not accrued 20 years of service) on the date of death.

What Is SBP? (cont'd)

- Established by PL 107-107
  - Line of duty (LoD) deaths
    - Annuity = 55% of retired pay based on full disability
  - Not in the line of duty
    - Not eligible for SBP if not retirement-eligible
  - Retirement-eligible (Not LoD)
    - Annuity = 55% of retired pay member would have been entitled to at time of death

Six Election Options

- Spouse Only
- Spouse & Child(ren)
- Child(ren) Only
- Former Spouse Only*
- FS & Child(ren)*
- Insurable Interest*

*Applies to Reserve members who made an election when he/she become retirement eligible

Spouse Option

- Annuity is equal to 55% of 75% of the member’s base pay.
- Annuity payments continue indefinitely (unless remarriage occurs prior to the spouse turning 55).
- If pre-55 remarriage ends in death or divorce, annuity is reinstated.

Spouse & Child(ren) Option

- Spouse is primary beneficiary

- Eligible child(ren) receive annuity in equal shares if the spouse becomes ineligible due to remarriage (pre-55) or dies.

Eligible Child(ren)

- Single
- Age 18 and under (22 if full-time student)
- Disabled children eligible for life
- Marriage at any age permanently terminates child's eligibility

“Child(ren) Only” Option

- Natural
- Illegitimate
- Adopted
- Step-, grand-, and foster children*

*As long a court ordered document exists reflecting the parent/child relationship.

DIC Offset

SBP-DIC Offset

- SBP: Paid by DoD
  - 55% of retired pay based on full disability, or if retirement eligible, 55% of retired pay member would have been entitled to at time of death
- DIC: Paid by the VA for all active duty deaths
  - $1,154 per month for surviving spouse
    - Add $286 for each child under 18

SBP-DIC Offset (Con't)

- DIC now deducted from SBP dollar-for-dollar ($1,154/Mo) in the case of Spouse only and Spouse and Child(ren) elections
- Usually eliminates the Spouse/Spouse & Child SBP election for E-6 and below active duty deaths
- Can assign SBP to children
  - Only AD Deaths since 11/24/03
  - Lose all SBP when child matures (turns 18/22 or marries)

Special Survivor Indemnity Allowance

- This legislation allows surviving spouses whose SBP annuity is partially or fully offset by DIC to receive an additional allowance.
- The SSIA allowance is payable in the monthly amount for the periods listed below:
  - For the months during FY 2010, $60
  - For the months during FY 2011, $70
  - For the months during FY 2012, $80
  - For the months during FY 2013, $90
  - For the months during FY 2014, $150
  - For the months during FY 2015, $200
  - For the months during FY 2016, $275
  - For the months during FY 2017, $310

Active Duty Deaths
(Process and Responsibilities)

CACO Will Ensure…

1. Type of coverage is elected
2. Assist annuitant in filling out necessary forms:
   - SBP Election Form
   - Verification for Survivor Annuity (DD Form 2656-7)
   - Direct Deposit Authorization (FMS 2231)
   - Tax Withholding Certificate (W-4P)
   - Custodianship Certificate (DD Form 2790)
3. Right-click and open hyperlink for the above documents:
   https://www.manpower.usmc.mil/portal/page?_pageid=278,1992359&_dad=portal&_schema=PORTAL
4. Fax forms to MMSR-6's Assistant Section Head (703) 784-9834

MMSR-6 Will…

4. Consolidate package submissions

5. Prepare “Active Duty SBP Election” memo and include in submission

6. Forward completed package to DFAS for final processing

DFAS Will…

7. Receive package from MMSR-6

8. Establish annuity within 30 days

Note:

Missing information will delay payment.

References

- MCO 1741.11C
- DODD 1332.27
- DODI 1332.42
- MARADMIN 135/03 Policy and Procedures for Line of Duty
- MARADMIN 294/02 SBP for Active Duty Marines
- **https://www.manpower.usmc.mil/portal/page?_pageid=278,1986132&_dad=portal&_schema=PORTAL**

For More SBP Information….

Log on to:

www.manpower.usmc.mil

Click on: ***Veteran Marine, MMSR, Retired Activities, SBP***

POC:

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